



## Milwaukee County Board of Supervisors

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Chairman of the Board

October 31, 2008

For Immediate Release

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### VOTERS WILL HAVE OPPORTUNITY TO CONSIDER LOWER PROPERTY TAXES

*Opportunity to bring property taxes in line and still enjoy lower sales tax*

**Milwaukee, WI** – Milwaukee County Board Chairman issued the following statement to residents urging them to participate in Tuesday's advisory referendum on sales and property taxes in Milwaukee County:

You, the voters of Milwaukee County, will have the opportunity to choose whether you want to lower your property taxes. Tuesday's advisory referendum is your chance to decide whether the sales tax should be raised by one percent to **support property tax relief** as well as additional funding for mass transit, parks, recreation, culture and emergency medical services.

Many of you already know that the transit system is in a death spiral and will not survive after 2010 without a dedicated funding source. Parks are suffering due to \$300 million in deferred maintenance costs. And we need to maintain our top-notch emergency medical services paramedic program, which is essential to County residents in life and death situations.

- **County Executive Scott Walker claims that a higher sales tax would create a tax island.** The fact is Milwaukee County is already a property tax island when compared to other places in the Midwest. Chicago and Minneapolis both have higher sales taxes (10.25% and 7.4%), but also have lower property taxes than we do. **A 1% sales tax will reduce your property taxes**, while still enjoying a lower sales tax than those communities. Remember that a significant portion of **sales tax dollars come from people who do not live in Milwaukee County.** A recent study presented to the City of Milwaukee found non-residents pay 42% of Milwaukee sales taxes.

Community	Property tax (as percentage of income)	Sales tax
Milwaukee, WI	5.9%	5.6%
Chicago, IL	4.9%	10.25%
Detroit, MI	4.4%	6.0%
Cleveland, OH	4.3%	7.75%
Pittsburgh, PA	4.2%	7.0%
Minneapolis, MN	3.5%	7.4%
Cincinnati, OH	3.2%	7.0%
St. Louis, MO	3.0%	9.241%
Kansas City, MO	2.7%	7.55%
Indianapolis, IN	2.4%	7.0%
Denver, CO	2.0%	7.72%

(Sources: U.S. Census Bureau, The Tax Foundation, and State Departments of Revenue/Taxation)

- **The State limits future property tax increases.** Referendum opponents claim that property taxes will dramatically increase after a new sales tax is in place. That simply cannot happen. The State of Wisconsin limits increases to 2% (or the increase in the County's value, due to new construction). **That's the law.** From 2003 through 2008, our average annual property tax increase has been 2.3%.
- **A one-percent sales tax will reduce your property taxes.** The property tax relief proposed in the referendum question, if enacted this year, would reduce the levy from approximately \$250 million to \$183 million. A lower property tax levy base will result in smaller increases in future years. A 2% increase on \$183 million is much smaller than the increase on \$250 million.
- **Homeowners currently don't have a choice on property taxes.** They either pay the property tax or they find themselves in trouble. With a sales tax, residents at least have some control over how much or little they pay. Each time they consider buying an item, they also have the freedom to reconsider the purchase. With property taxes, it's not that simple. Currently, the only way to voluntarily reduce property taxes is to move outside of Milwaukee County. We want residents to stay here. That's why this referendum gives voters an opportunity to lower their property taxes without having to move.
- **The property tax is the most hated tax in Milwaukee. This is your chance to lower it.** According to the U.S. Census Bureau and the Tax Foundation, Milwaukee County homeowners spend 5.9% of their incomes on property taxes. In Minneapolis, it's only 3.5%. The national average is 2.9%. The property tax relief in this referendum would make our property taxes more competitive with other major urban areas in the Midwest.

I urge you to get all the information and make an informed decision on Election Day. I also encourage you to take your time in thinking about this and look at the dollars and cents. This referendum is a chance to finally have a say. **There is no better time than now to lower your property taxes.**

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